

State Liquor Dispensary

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2008 Total App	FY 2008 Actual	FY 2009 Approp	FY 2010 Request	FY 2010 Gov Rec
BY FUND CATEGORY					
Dedicated	16,640,900	16,335,800	18,940,100	17,109,100	16,250,100
Percent Change:		(1.8%)	15.9%	(9.7%)	(14.2%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	9,545,900	9,343,500	10,272,100	11,170,400	10,416,400
Operating Expenditures	4,411,900	4,402,500	4,613,900	5,359,700	5,254,700
Capital Outlay	2,683,100	2,589,800	4,054,100	579,000	579,000
Total:	16,640,900	16,335,800	18,940,100	17,109,100	16,250,100
Full-Time Positions (FTP)	193.00	193.00	197.00	214.00	201.00

Division Description

The State Liquor Dispensary has the following general powers and duties:

(a) Regulation of Liquor Traffic: To permit, license, inspect, and regulate the manufacture, importation, transportation, storage, sale, and delivery of alcoholic liquor for purposes permitted by law.

(b) Traffic in Liquor: To buy, import, transport, store, sell, and deliver alcoholic liquor.

(c) Operation of Liquor Stores: To establish, maintain, and discontinue warehouses, state liquor stores and distribution stations.

(d) Acquisition of Real Estate: To acquire, buy, and lease real estate, and to improve and equip the same for the conduct of its business.

(e) Acquisition of Personal Property: To acquire, buy, and lease personal property necessary and convenient for the conduct of its business.

(f) Making Reports: To report to the Governor annually and at such other times as he may require, concerning the condition, management, and financial transactions of the dispensary.

The Liquor Dispensary is charged with exercising its powers as to curtail the intemperate use of alcoholic beverages. It shall not attempt to stimulate the normal demands of temperate consumers of alcohol, irrespective of the effect on the revenue derived by the state from the resale of intoxicating liquor.

[Statutory Authority: §23-201 et seq., Idaho Code]

Agency Profile

Selected Measures

PROFIT DISTRIBUTION

1. Two percent (2%) surcharge distributed to the Drug and Family Court Services Fund.

b. Annual fixed distributions totaling \$5,350,000 to Substance Abuse Treatment Fund, Community Colleges, Public Schools, Cooperative Welfare Fund, Court Services and Court Supervision Funds.

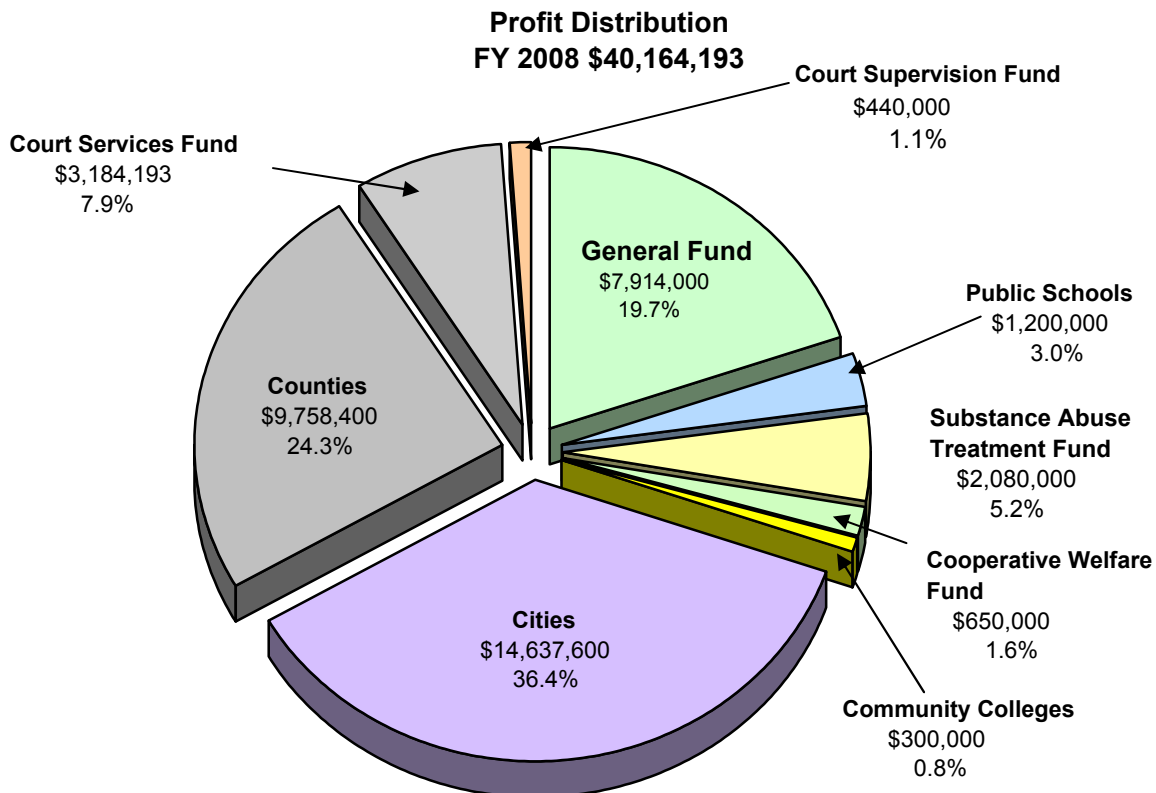
(Effective July 1, 2008, annual fixed distributions will increase to \$5,650,000 resulting from an increased distribution to Community Colleges from \$300,000 to \$600,000.)

c. Remaining balance to the General Fund.

3. Sixty percent (60%) of profit distributed as follows:
60%

40% Counties, in proportion to sales

****The liquor revenue distribution formula was modified by Senate Bill 1388 in the 2006 Legislative Session: Cities and counties are to receive annual distributions of \$1.8 million from FY 2006 through FY 2009 to repay the one-time appropriation of \$7.2 million to the Water Resource Board Revolving Fund in FY 2005; and the 40/60 split between the state and local governments will adjust incrementally to a 50/50 split by 2014.**



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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	197.00	0	18,940,100	197.00	0	18,940,100
Health Insurance Reduction	0.00	0	0	0.00	0	(98,500)
FY 2009 Total Appropriation	197.00	0	18,940,100	197.00	0	18,841,600
Removal of One-Time Expenditures	0.00	0	(4,066,600)	0.00	0	(4,066,600)
FY 2010 Base	197.00	0	14,873,500	197.00	0	14,775,000
Benefit Costs	0.00	0	178,900	0.00	0	80,400
Inflationary Adjustments	0.00	0	188,600	0.00	0	188,600
Replacement Items	0.00	0	364,900	0.00	0	364,900
Statewide Cost Allocation	0.00	0	49,700	0.00	0	49,700
Change in Employee Compensation	0.00	0	250,000	0.00	0	0
FY 2010 Program Maintenance	197.00	0	15,905,600	197.00	0	15,458,600
1. Store Relocations	0.00	0	119,700	0.00	0	119,700
2. Additional FTP to Address Workload	13.00	0	305,000	0.00	0	0
3. Business Contingency Plan	0.00	0	55,000	0.00	0	0
4. Store Expansions	0.00	0	176,000	0.00	0	176,000
5. Additional Stores	4.00	0	497,800	4.00	0	495,800
6. Alcohol Education Program	0.00	0	50,000	0.00	0	0
FY 2010 Total	214.00	0	17,109,100	201.00	0	16,250,100
Change from Original Appropriation	17.00	0	(1,831,000)	4.00	0	(2,690,000)
% Change from Original Appropriation			(9.7%)			(14.2%)

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	197.00	0	18,940,100	0	18,940,100
Health Insurance Reduction					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends reducing the funding for health insurance by \$500 per FTP, using reserves to offset the increased costs of health insurance for the state for FY 2009 and FY 2010.</i>					
Governor's Recommendation	0.00	0	(98,500)	0	(98,500)
FY 2009 Total Appropriation					
Agency Request	197.00	0	18,940,100	0	18,940,100
Governor's Recommendation	197.00	0	18,841,600	0	18,841,600
Removal of One-Time Expenditures					
Agency Request	0.00	0	(4,066,600)	0	(4,066,600)
Governor's Recommendation	0.00	0	(4,066,600)	0	(4,066,600)
FY 2010 Base					
Agency Request	197.00	0	14,873,500	0	14,873,500
Governor's Recommendation	197.00	0	14,775,000	0	14,775,000
Benefit Costs					
Provides \$900 per position, which equates to a 10.4% increase for employer-paid health insurance. Also, includes a 19% reduction in life and disability insurance rates from 1.1% to 0.9% of salary for eligible employees.					
Agency Request	0.00	0	178,900	0	178,900
<i>The Governor recommends providing an increase of \$400 per FTP and making changes to the health insurance benefits contract to meet expected costs. Including the rescission to reduce health insurance benefit costs in FY 2009 by \$500 per FTP, employer costs per FTP for FY 2010 will be \$8,600.</i>					
Governor's Recommendation	0.00	0	80,400	0	80,400
Inflationary Adjustments					
Inflationary increases are calculated using the ongoing base for operating expenditures multiplied by an agency-specific inflation factor. The inflationary adjustment reflects a 4.1% increase in dedicated funds. The request includes \$50,400 for general inflation, and \$138,200 which is a 5.3% increase for contract inflation.					
Agency Request	0.00	0	188,600	0	188,600
<i>The Governor recommends inflationary increases for expenses related to expanded hours, Sunday sales, and store expansions and contract inflation for store leases.</i>					
Governor's Recommendation	0.00	0	188,600	0	188,600
Replacement Items					
Includes \$246,000 to remodel seven liquor stores which includes new shelving, fascia, carpet and/or signage, \$5,500 to re-carpet one liquor store, \$16,800 to replace five gondolas, \$5,000 to replace one store sign, \$15,700 to replace 20 computers in the central office, \$20,000 for a hot site recovery system and \$55,900 for IT upgrades, licenses and replacements.					
Agency Request	0.00	0	364,900	0	364,900
<i>The Governor recommends replacement items as requested.</i>					
Governor's Recommendation	0.00	0	364,900	0	364,900
Statewide Cost Allocation					
The request includes adjustments to recover the costs of services provided to state agencies: \$10,100 for Attorney General fees; \$35,100 for State Controller fees; \$4,500 for State Treasurer fees.					
Agency Request	0.00	0	49,700	0	49,700
Governor's Recommendation	0.00	0	49,700	0	49,700

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
Agencies were instructed to calculate a 3% salary increase in the appropriation request.					
Agency Request	0.00	0	250,000	0	250,000
<i>While increasing salaries of state workers continues to be a priority for the Governor, the current economic situation does not provide the funds to recommend an increase in FY 2010. When economic conditions improve, the Governor will once again seek to improve compensation for all state employees.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2010 Program Maintenance					
Agency Request	197.00	0	15,905,600	0	15,905,600
Governor's Recommendation	197.00	0	15,458,600	0	15,458,600
1. Store Relocations					
This line-item request is to move three Idaho State Liquor store locations (Boise, Twin Falls and McCall) to locations that provide better visibility and are in higher traffic areas. This request includes \$64,700 ongoing funds to address operating expenditures for rent and utilities, while \$55,000 is for one-time moving expenses and capital purchases.					
Agency Request	0.00	0	119,700	0	119,700
<i>The Governor recommends this line item as requested.</i>					
Governor's Recommendation	0.00	0	119,700	0	119,700
2. Additional FTP to Address Workload					
This request is for 13 full-time positions and \$305,000 ongoing spending authority for associated personnel costs. Currently, ISLD is paying temporary employees to do this work. Six of the 13 FTP are for store clerks while seven are assistant store managers. This move reduces the ISLD's reliance on temporary workers. Currently there is \$235,900 in the base for temporary employees the additional spending authority will be used to increase salary and benefits. This request increases the appropriation for salaries by \$125,000 and \$180,000 for benefits.					
Agency Request	13.00	0	305,000	0	305,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
3. Business Contingency Plan					
This line-item request is for the creation of a business contingency plan. This plan would enable ISLD to continue operations in the event of a disaster or other significant disruption of business. Total one-time cost of this project is \$55,000.					
Agency Request	0.00	0	55,000	0	55,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. Store Expansions					
ISLD requests funding for increased costs related to the expansion of three stores for FY 2010. Locations are Boise, Eagle and Lewiston. Last year, JFAC approved an expansion of two stores, one in Chubbuck and one in Idaho Falls. This request also offsets additional rent and utility costs associated with those expansion that was not in last year's request.					
Agency Request	0.00	0	176,000	0	176,000
<i>The Governor recommends this line item as requested.</i>					
Governor's Recommendation	0.00	0	176,000	0	176,000
5. Additional Stores					
The Liquor Dispensary is requesting funding for two additional stores, with one store to be located in Post Falls and one in Meridian. The request includes \$164,400 ongoing personnel costs for four FTP, with one manager and one store clerk in each area. Ongoing operating expenditures of \$183,400 include store rent and operating leases, bankcard fees, utility costs, and other miscellaneous supplies and expenses. One-time capital outlay of \$150,000 is for furniture and computer equipment.					
Agency Request	4.00	0	497,800	0	497,800
<i>The Governor recommends this line item minus \$2,000 for reduced benefit costs according to the Governors recommended plan for group insurance.</i>					
Governor's Recommendation	4.00	0	495,800	0	495,800

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
6. Alcohol Education Program					
The agency requests \$50,000 ongoing, dedicated funding to create a program highlighting issues related to alcohol abuse into a comprehensive educational program emphasizing underage consumption, over-consumption, and DUI. Funding will be used to create advertising and be part of a statewide campaign.					
Agency Request	0.00	0	50,000	0	50,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2010 Total					
Agency Request	214.00	0	17,109,100	0	17,109,100
Governor's Recommendation	201.00	0	16,250,100	0	16,250,100
Agency Request					
Change from Original App	17.00	0	(1,831,000)	0	(1,831,000)
% Change from Original App	8.6%		(9.7%)		(9.7%)
<i>Governor's Recommendation</i>					
Change from Original App	4.00	0	(2,690,000)	0	(2,690,000)
% Change from Original App	2.0%		(14.2%)		(14.2%)